

Chapter 3 - Socioeconomic

This chapter summarizes key aspects about the population, employment, growth patterns, and economic context of Pierre. Population and employment are critical factors in urban development and have a direct effect on many aspects of community growth. Understanding these factors, past growth patterns, and the economic context can help Pierre anticipate, prepare for, and promote future growth.

The sections on population and employment identify the important demographic characteristics of Pierre and the surrounding area. Changes in the characteristics of the population – age, income, race, education, *etc.* – all have a direct effect on how an area develops, physically, socially and economically, over time. Other elements of the Plan can, in turn, influence particular characteristics of the population. For instance, some areas might be more attractive to seniors because of the housing choices and the availability of services or more attractive to younger adults because of certain amenities (e.g. entertainment, recreation, or higher education).

The economic context of the community provides a strong basis for understanding the likelihood of future growth in population and the physical development of Pierre. The sections on employment and the economy provide the background and basis for the expectations of needs for transportation, land use, housing, and other aspects of the plan.

Population Change

As of 2000, Pierre is the 7th largest city in South Dakota and the state's only centrally located major city (Figure 3.1). Pierre's 2000 census count was 13,876. This represents a 7.5% increase from the 1990 census. The City's recent population growth can be characterized as slow and stable growth. Table 3.1 provides Pierre's census counts since South Dakota became a state in 1889.

Figure 3.1. South Dakota's nine largest cities (South Dakota Economic Development 2007)

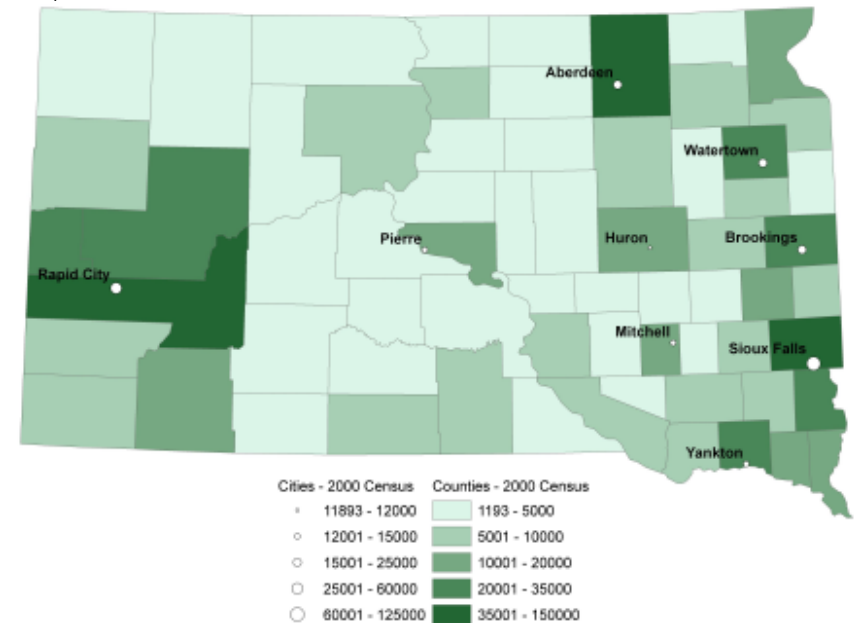


Table 3.1. Historical Decennial Census Counts for Pierre, SD (US Census Bureau)

Census Year	Census Count	% Change from Previous Count
1890	3,235	
1900	2,306	-28.7%
1910	3,656	54.2%
1920	3,209	-12.2%
1930	3,659	14.0%
1940	4,322	18.1%
1950	5,715	32.2%
1960	10,088	75.1%
1970	9,699	-3.9%
1980	11,973	23.4%
1990	12,906	7.8%
2000	13,876	7.5%
Average 1890-2000		17.6%

Pierre is located in Hughes County. The five counties surrounding Hughes County all have populations of less than 5,000 and Hughes County accounts for 58% of the six county region's population (Figure 3.2). The 1990 to 2000 growth rates for each county in the region are listed in Table 3.2. Hughes County's population increased 11.2% between 1990 and 2000. The latest Census Bureau population estimates are for 2006. However they are only available down to the County level. The estimated population for Hughes County in 2006 is 16,946. This is a 2.8% increase since 2000.

Figure 3.3 illustrates the growth patterns in Hughes County, its cities, and the unincorporated area of the county. Pierre has been the biggest factor in Hughes County's population change. Figure 3.3 also shows how Fort Pierre has generally paralleled Pierre's population growth pattern.

Figure 3.2. Regional population share in 2000 (US Census Bureau)

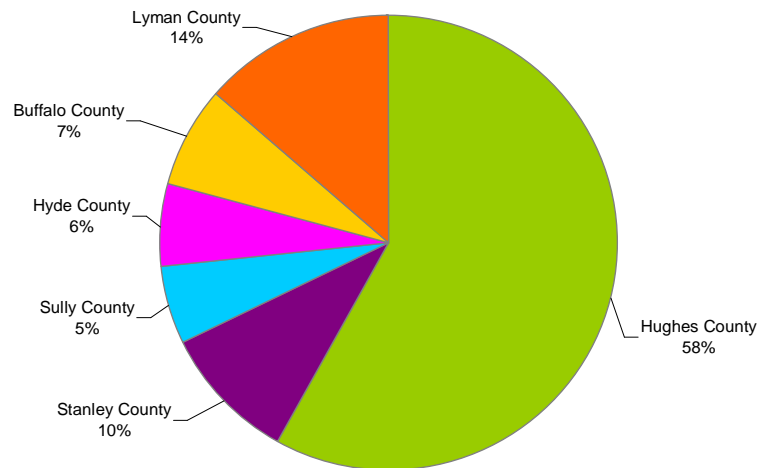
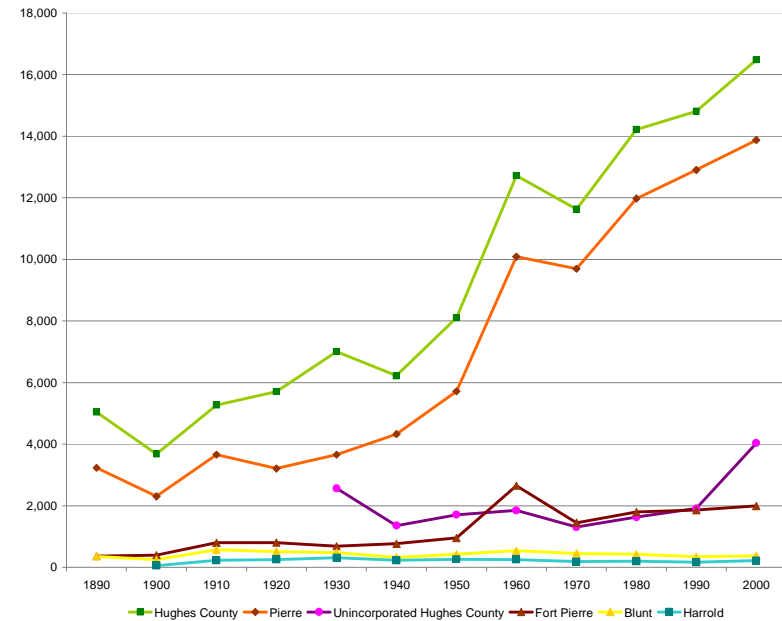


Table 3.2. Regional population change for six counties surrounding Pierre (US Census Bureau)

Location	1990	2000	Percent
Hughes County	14,817	16,481	11.2%
Stanley County	2,453	2,772	13.0%
Sully County	1,589	1,556	-2.1%
Hyde County	1,696	1,671	-1.5%
Buffalo County	1,759	2,032	15.5%
Lyman County	3,638	3,895	7.1%

Figure 3.3. Regional population change from 1890-2000 (US Census Bureau)



At 7.5%, Pierre's 1990 to 2000 growth rate was in the middle of the pack when compared to other major cities in South Dakota, and to the statewide growth rate. Population growth between 1990 and 2000 was 23% for Sioux Falls, 15% for Watertown, 13.7% for Brookings, 9.3% for Rapid City, 6.5% for Yankton, 5.5% for Mitchell, -1.1% for Aberdeen, and -4.5% for Huron. The United States and South Dakota population growth during the same time period was 13.2% and 8.5%, respectively.

All population change is based on births, deaths, and migration patterns. Since birth and death information is tracked at a county level, an exact number cannot be determined for the amount of Pierre's growth stemming from natural increase. However, because Pierre makes up about 85% of Hughes County's population, it is possible to understand the dominant influences for Pierre's growth. There were 2,265 births in Hughes County during the 1990's and 1,183 deaths in the same time period. Since Hughes County grew by 1664 people during that time period, the net in-migration to Hughes was 582 people. This means that 65% of Hughes County's population growth during the 1990's was due to natural increase.

Census data can also help explain the origin of people migrating to Pierre and Hughes County. Figure 3.4 illustrates the proportion of people living in the same house or at a different location in 1995. Approximately three-fourths of the residents age five or older in 2000 were living someplace in Hughes County in 1995.

Figure 3.4. Place of residence in 1995 for Pierre residents in 2000 (US Census Bureau)

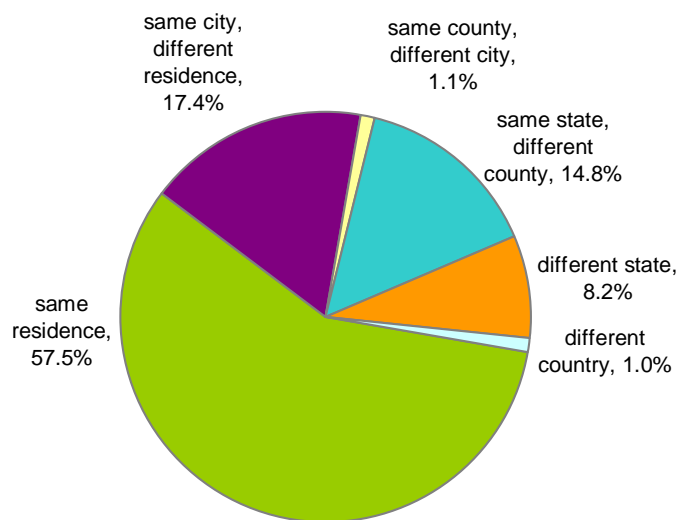


Table 3.3 shows where people five years of age and older from outside of Hughes County were living prior to moving (sometime between 1995 and 2000) to their April 2000 residence. Of those people moving into

Pierre from outside Hughes County, approximately 62% came from another county in South Dakota and approximately 34% came from other states. Most of those migrating from other states came from the Western and Midwestern states. Migration from places outside the US accounted only 4% new Pierre residents.

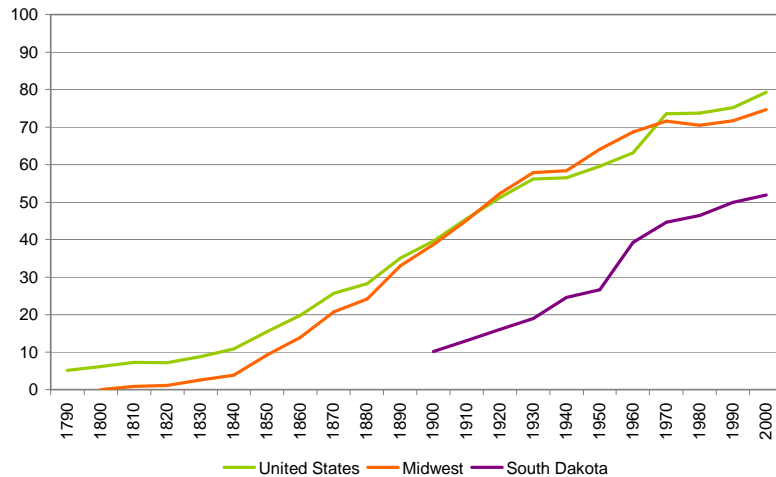
Table 3.3. Source locations for Pierre's in-migration, 1995-2000 (US Census Bureau)

Source location of in-migrants	In-migrants	% Migrating from Source
Other SD County	1,931	61.6%
Different State		
Northeastern states	24	0.8%
Midwestern states	385	12.3%
Southern states	131	4.2%
Western states	536	17.1%
Outside United States	125	4.0%

Rural-Urban Residential Patterns

The United States, the Midwest, and South Dakota have all witnessed a dramatic rural to urban population shift (Figure 3.5). The 1920s marked the first time in the country's history that more citizens lived in an urban than a rural area. Currently nearly 80% of the United States population is considered urban, a marked difference from 1790 when only 5% of the population was considered urban. One of the dominant factors in the change to an urbanized population is the reduction in agricultural jobs due to the mechanization of farming and consolidation of small farms into larger farms needing fewer workers. South Dakota has also become more urbanized and followed the same trend, but not nearly to the same level as the United States as a whole or the Midwest region. Approximately 50% of the state's population is considered urban, which is nearly 30% less than the national level.

Figure 3.5. Urban share of total population, 1790-2000 (US Census Bureau)



In general, the county's rural-urban proportion more closely resembles the national trends and far exceeds the state's percentage of urban population. If one uses incorporated population as a rough measure of the Census Bureau's "urban" classification, there is a correlation between the urbanizing trend of Hughes County and of the state and the nation over the last few decades.

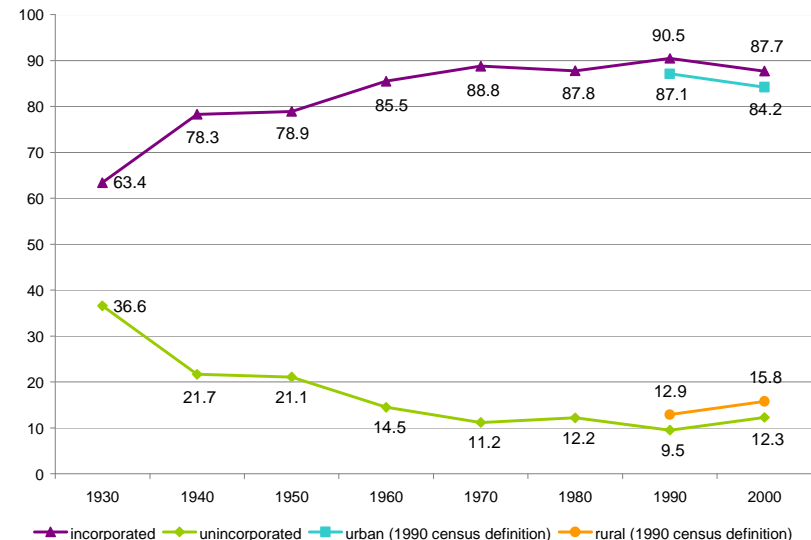
However, using either the Census Bureau's 1990 definition of urban, or incorporated population, it is evident that Hughes County's population actually became more rural from 1990 to 2000 (Figure 3.6). The shift in the county's proportion of rural-urban population is likely less to do with more agriculturally based residents moving to the county and more the result of rural residential development occurring on the fringe of Pierre.

It is difficult to determine if Hughes County's recent urban to rural population shift will be long term, but this change emulates the population shift that began nationwide in the late 20th century. Up until the 1970s, people consistently left the rural areas to seek better opportunities in the urban areas, but during the last 30 years of the 20th century the country has witnessed a "rural turnaround." Now, people are moving to more rural areas to take advantage of amenities such as access to hunting and fishing, or to get away from urban

disadvantages such as high crime and congestion. Agriculture now only uses 6.5% of the workforce in nonmetropolitan America. The following, while not a complete list, highlights those factors attributed to the "rural turnaround":

- Availability of federal money for rural water systems
- Large public investment in highway infrastructure, allowing the public easy access to the rural fringe
- Large public investment in telecommunication and internet infrastructure, allowing the public to "telecommute" to work
- Less zoning, subdivision, and building code regulation in the urban fringe, allowing for easier and faster development
- Cheaper land, taxes, and housing
- A desire by the public to live in less populated areas adjacent to urban areas
- More relaxed lifestyle
- Lower densities
- Less traffic congestion
- Lower crime levels (Johnson 2006).

Figure 3.6. Hughes County's incorporated-unincorporated population split, by percentage, 1930-2000 (US Census Bureau)



Coping with the influx of people and businesses in the rural areas represents a serious challenge that many rural governments are not fully prepared to meet. The biggest issue facing governments in the rural and rural fringe areas experiencing growth are the costs related to supplying and expanding services such as: roads, water, sewers, wastewater treatment, schools, and emergency services. "...the substantial upfront cost of improvements often exceeds the short-term revenue gains they provide. When this is combined with declines in intergovernmental revenues due to devolution, many rural governments face serious risks of fiscal stress" (Johnson 2006: 30).

Demographic Characteristics

Demographic data with high reliability is most readily available from the decennial census. Annual estimates are completed by the census bureau, but these estimates do not address most of the data acquired by the decennial census. Sample data can be acquired to provide estimates of most of the other data, but requires an expensive independent effort. Therefore the following characteristics are the most recent reliable data available on the City of Pierre. When more recent data than the 2000 census was available, the newer data has been noted.

- Pierre's median age was 37.6, compared to Hughes County (37.5), South Dakota (35.6), and the United States (35.3).
- The number of older Pierre residents (65+) has increased by 71.3% since 1990 and 253.7% since 1960
- 56.1% of Pierre's population (7,779 people) was in the workforce, compared to Hughes County (54.9), South Dakota (52.2), and the United States (63.9).
- Pierre's 2000 percentage of foreign born residents, 1.4%, is considerably lower than the national average of 11.1%
- For statistical purposes, the federal government considers race and ethnicity two separate concepts and measures both in the census. In general, the Census Bureau defines ethnicity as the heritage, nationality group, lineage, or country of birth of the person or the person's parents or ancestors before their arrival in the United States. There are two mutually exclusive ethnicity categories: Hispanic and not Hispanic. In general, the Census Bureau meaning of race is self-identification as belonging to social and cultural characteristics as well as ancestry. The seven mutually exclusive and exhaustive

categories of race are: White alone, Black or African American alone, American Indian and Alaska Native alone, Asian alone, Native Hawaiian and Other Pacific Islander alone, Some other race alone, and Two or more races. The two or more races category represents all those respondents who report more than one race.

- The vast majority of Pierre's population identify themselves as White alone. In both Pierre and Hughes County, 88.9% of the total population in 2000 fit this category. The comparable statistics for the state of South Dakota and the United States were 88.7% and 75.1%, respectively. Due to changes in the census questions in 2000, direct comparison with previous decennial censuses regarding race is not possible. For rough comparison Pierre's white population in 1960 was 94.6% of the total population.
- The next largest racial category of the Pierre population is the American Indian and Alaska Native population at 8.6% of the total population. This group represents 8.7% of the Hughes County population. This is comparable to South Dakota's rate of 8.3%, but considerably higher than the national rate of 0.9%
- The remaining racial categories in Pierre represent only 2.5% of the city's total population.
- Pierre's population was self-identified as 98.8% non-Hispanic in the 2000 census.
- The percent of residents with only a high school degree in Pierre, South Dakota, and the U.S. is 25.6%, 32.9%, and 28.6%, respectively.
- The percent of residents with a bachelors degree in Pierre, South Dakota, and the U.S. is 26.4%, 15.5%, and 15.5%, respectively.
- The median household income for Pierre is \$42,962, a 56.6% increase from 1990.
- Pierre's 2000 median household income is almost 22% higher than the state. It is on par with Sioux Falls median household income (\$41,221), and is the highest among the nine major cities in South Dakota.
- Pierre's percentage of individuals living below the poverty line, 7.8%, is 4.6% lower than the national average and 5.4% lower than the state average.

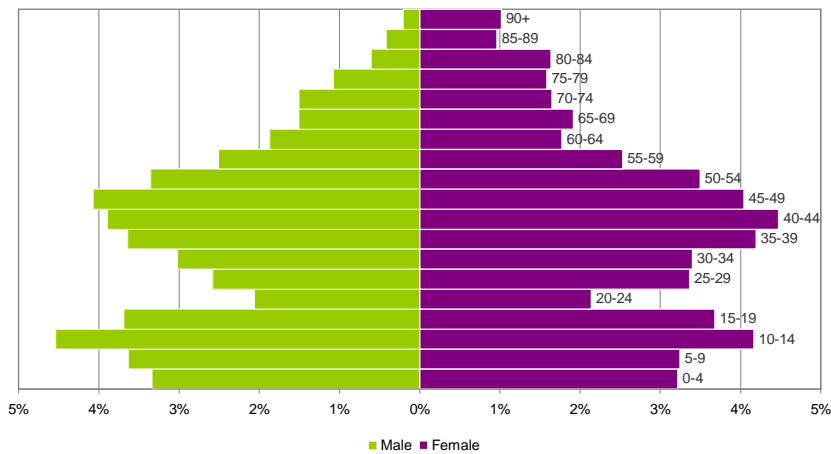
Age Distribution

Table 3.4 displays age distribution for the City of Pierre at the last four decennial censuses. The current age distribution of Pierre's population resembles a pyramid, with the marked absence of the college-aged cohorts (Figure 3.7). This change in the City's population distribution is the result of smaller families with fewer children, less women of childbearing age, longer life expectancies, and most importantly, an aging baby-boomer generation.

Table 3.4. Historic population distribution (South Dakota Data Center)

	1970	1980	1990	2000
Total Population	9,699	11,972	12,906	13,876
Median Age				37.6
Under 5	820	1,052	1,077	909
5-19	3,206	3,022	3,115	3,185
20-39	2,349	3,992	3,963	3,386
40-64	2,466	2,749	3,208	4,441
65+	853	1,157	1,539	1,955
% white	94.9	93.7	92.8	88.9

Figure 3.7. Pierre's age and gender distribution in 2000 (US Census Bureau)



In the United States, the large baby boomer cohort has been a dominating factor in shaping the country's demographic profile and the influence of this group will continue in the future. Baby boomers have begun to reach early retirement age and by 2015 the first huge wave of

boomers will be over the age of 65. This aging population will have the following significant nationwide impacts:

- Increase in the elderly population
- Increased and unmet workforce demand in health care and service industries
- Rise in demand for specialized housing and a possible glut in traditional single-family housing
- Need to make public facilities and transportation accessible and appropriate to the aging public
- The population between 30-64 will decline
- Prime workforce population, 20-40, will remain static
- Decrease in discretionary spending
- Overall decrease in population under 60, primarily because of the aging of the large baby boom generation, a decline in the number of women of childbearing age, and continued low fertility rates (Pine 2002).

The aging baby boomer generation and the subsequent drop in the number of women of childbearing age will result in population growth being closely tied to immigration. Those areas that do not have a large stream of immigrants in the future will face population decline as the number of deaths begin to outpace the number of births.

Future Population Growth

While the overall trend for population in communities like Pierre may be one of population aging and decline, Pierre is unique in that it is the state capitol and as such, the City's population is tied closely to the jobs provided by the state government. Therefore, even though the existing population of Pierre will age, the current workforce requirements will be filled by immigration. The biggest unknown for Pierre's population is how many of the retiring workforce will remain in the City and how many retirees will move to Pierre seeking additional health care and services. The number of older Hughes County residents (65+) has been projected to increase by 143.8% between 2000 and 2025. If retirees stay in or move to Pierre, the City may see a faster rate of growth in the coming 10 to 15 years. If they do not, the City's population will remain stable and continue to be tied very closely to the state employment demands.

Several different projections have been used in recent years. The most optimistic of these projections is a Pierre population of 15,911 by the year 2020, and a population of 16,945 by 2030. The South Dakota State Data Center has developed projections through the year 2025 for counties in South Dakota but not for cities. Table 3.5 and Figure 3.8 displays the State Data Center's population projections by age for Hughes County. If the ratio of Pierre to Hughes County population holds constant at 85%, the State Data Center projection share belonging to Pierre would be 14,480 by the year 2010, 15,161 by the year 2020, and 15,365 by 2025 (Table 3.6). If the ratio of Fort Pierre to Stanley County population holds constant at 72%, the State Data Center projection share belonging to Fort Pierre would be 1,959 by the year 2010, 1,922 by the year 2020, and 1,904 by 2025 (Table 3.6).

Table 3.5. Population projections for by age for Hughes County (SD Data Center)

	1990	2000	2005	2010	2015	2020	2025
Total	14,817	16,481	16,686	17,035	17,372	17,836	18,077
0-4	1,154	1,194	1,049	985	1,036	1,139	1,194
5-19	3,574	3,859	3,526	3,124	2,981	3,030	3,218
20-39	4,458	3,971	3,896	4,156	4,377	4,513	4,080
40-64	3,868	5,305	6,028	6,285	6,033	5,347	5,202
65+	1,763	2,252	2,209	2,389	2,815	3,665	4,474

Figure 3.8. Population projections by age for Hughes County (SD Data Center)

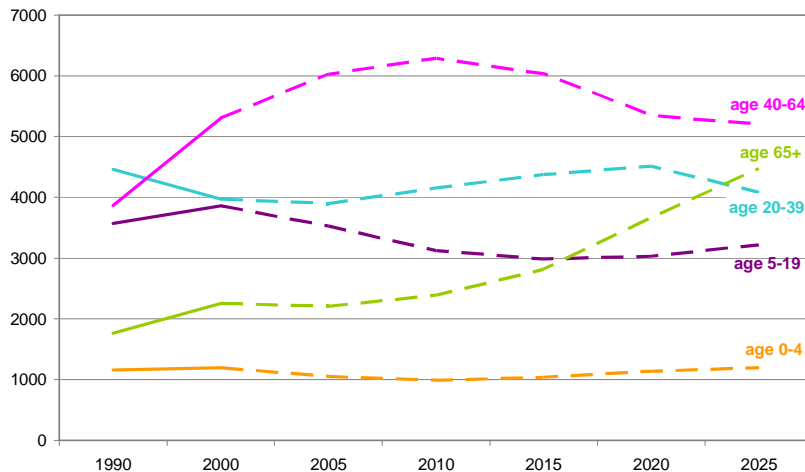


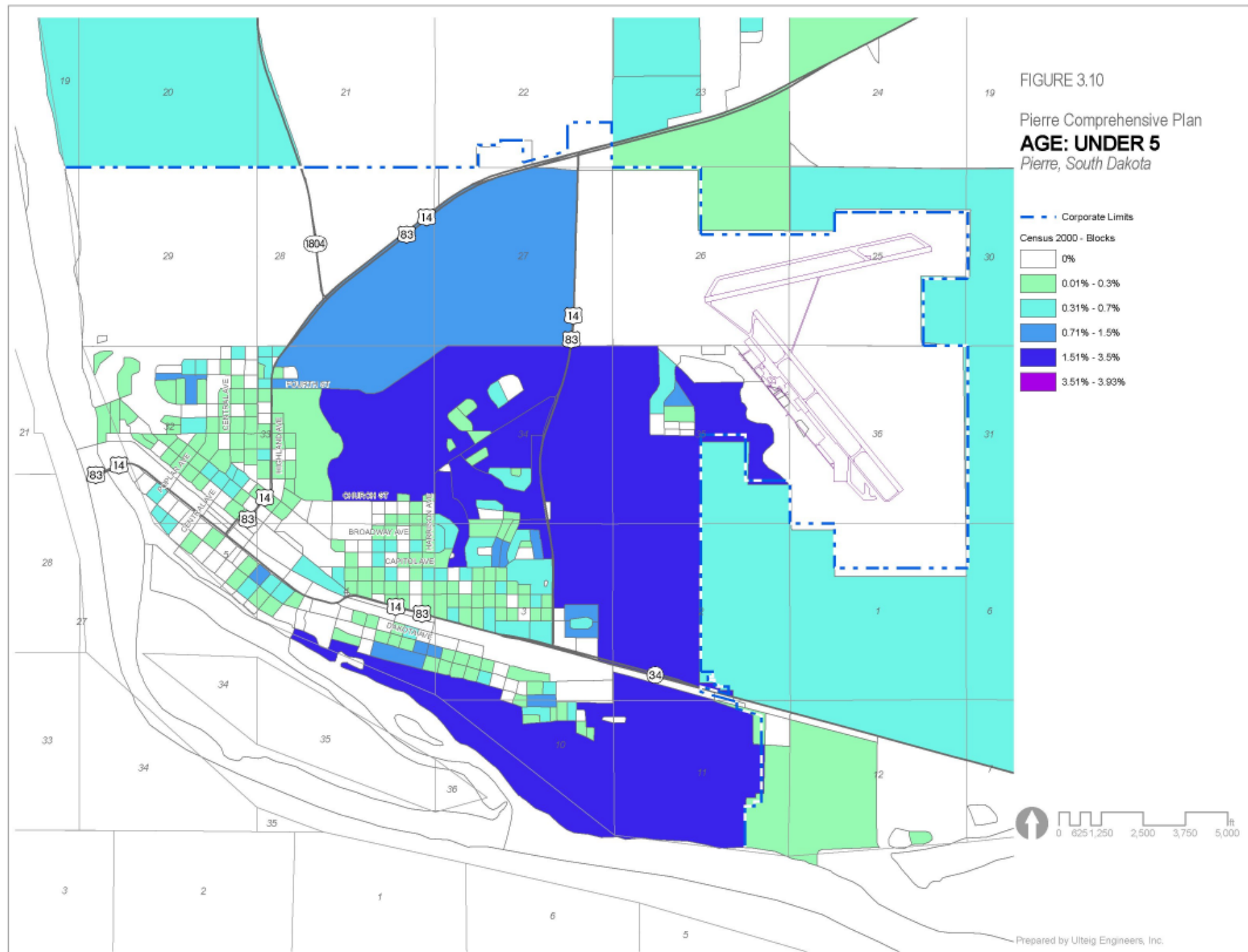
Table 3.6. Population projections for 2010, 2015, 2020 (South Dakota Data Center)

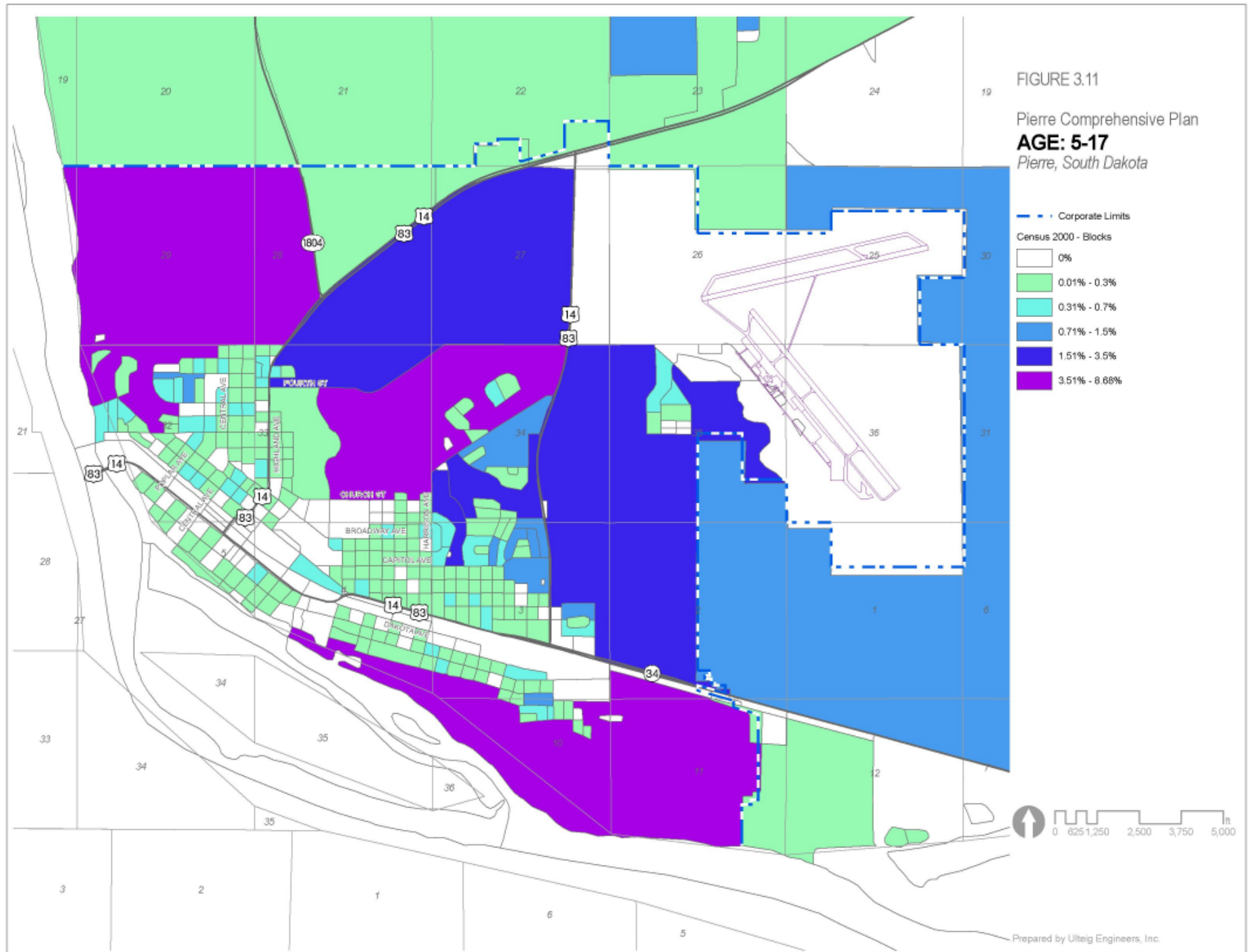
	2010	2015	2020
Pierre	14,480	15,161	15,365
Hughes County	17,035	17,372	17,836
Fort Pierre	1,959	1,922	1,904
Stanley County	2,721	2,669	2,644

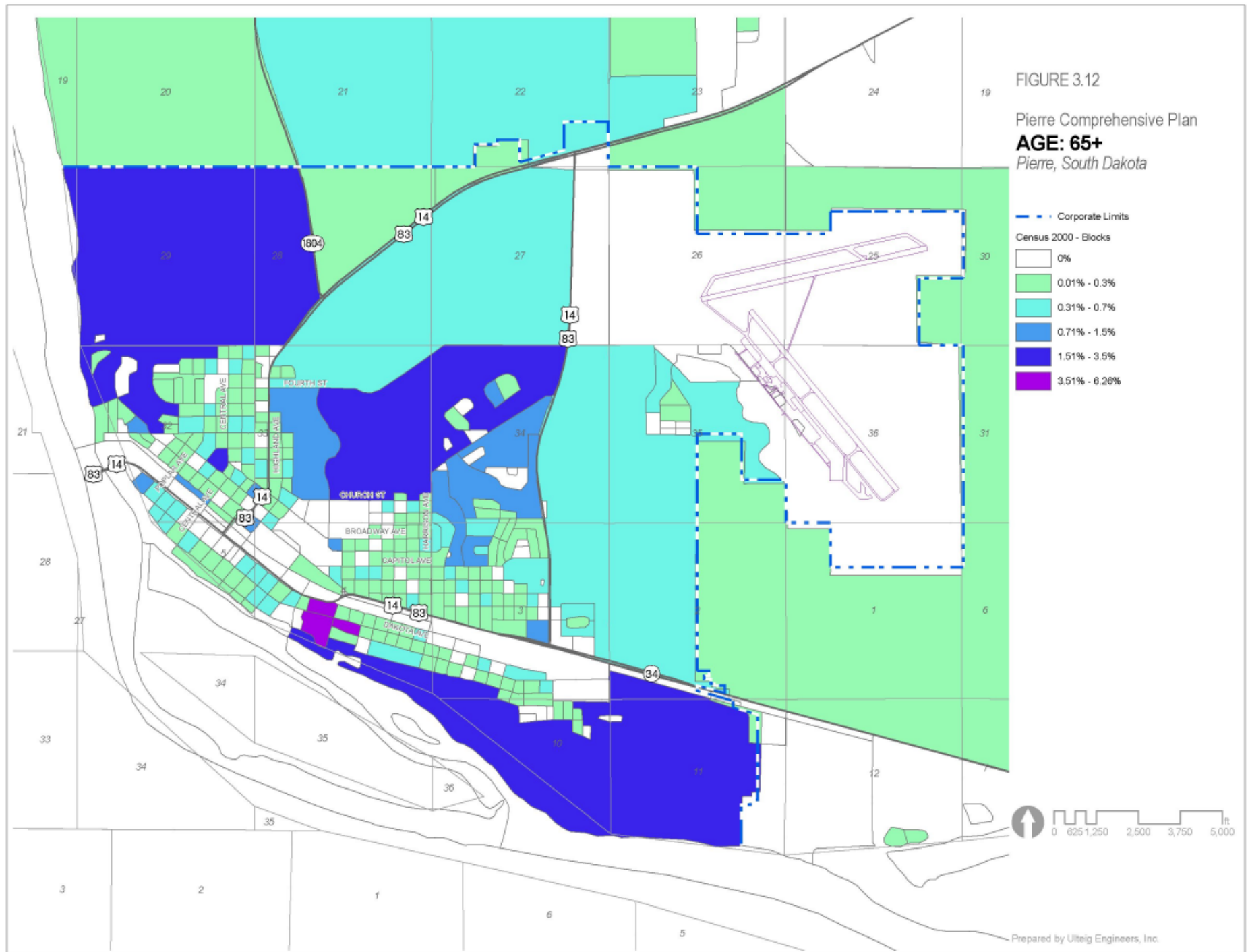
Population Distribution

Pierre's population is most densely distributed in the southwest portion of the city, west of U.S Routes 14/83 and in the southeast portion of city, west of the bypass, as well as along the riverfront area (Figure 3.9). The highest concentration of preschool children (0-5) is found largely in the City's newest developments in the northeast and southeast (Figure 3.10). The distribution of school age children (5-17) is fairly similar to preschool children with the greatest concentrations found in the newer developments surrounding the central city (Figure 3.11). The highest concentration of elderly (65+) is found downtown which corresponds with retirement home (Figure 3.12). Figure 3.13 illustrates the City's median age distribution. Pierre's families are typically distributed in the new developments surrounding the central city (Figure 3.14). The distribution corresponds with the location of preschool and school age children.

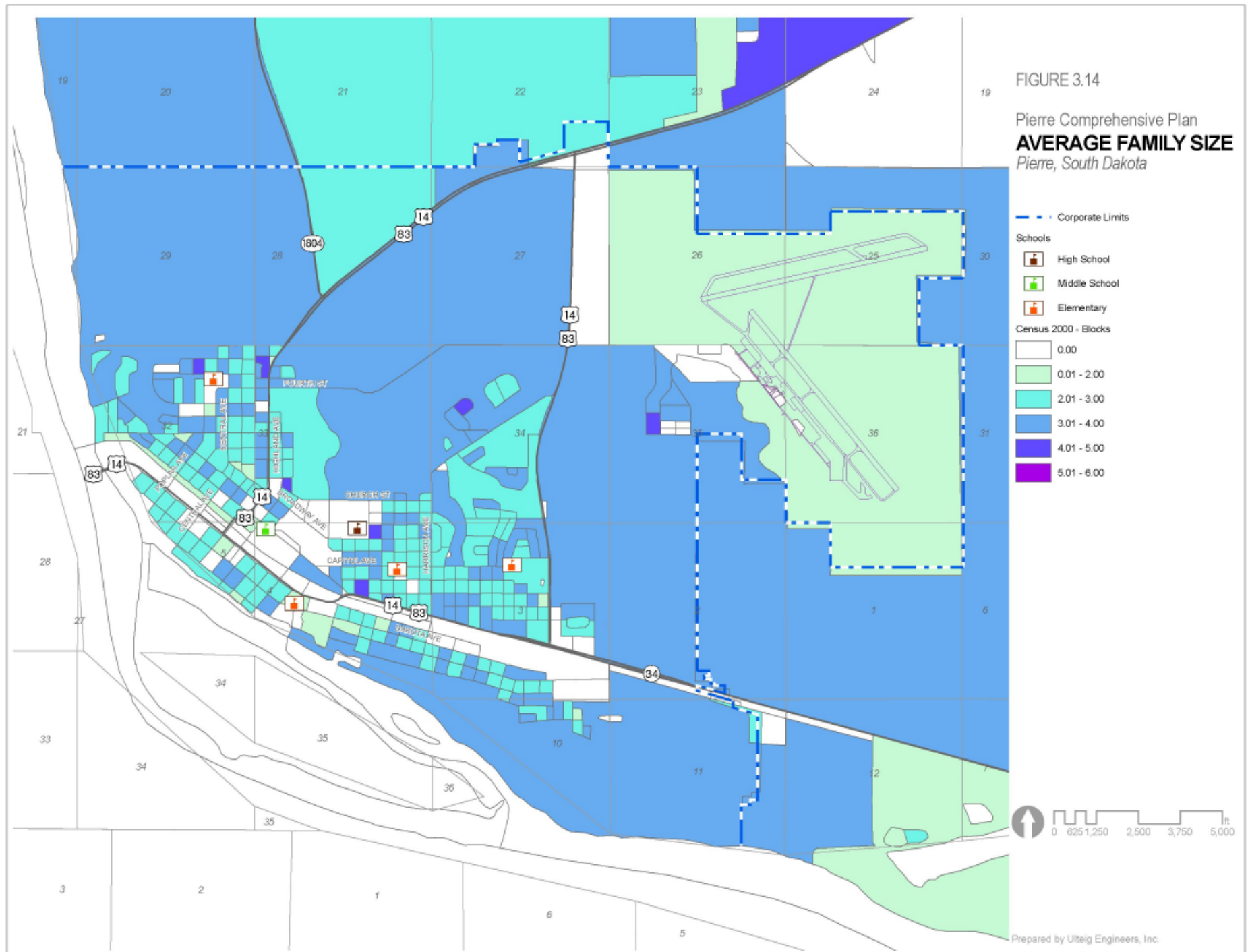










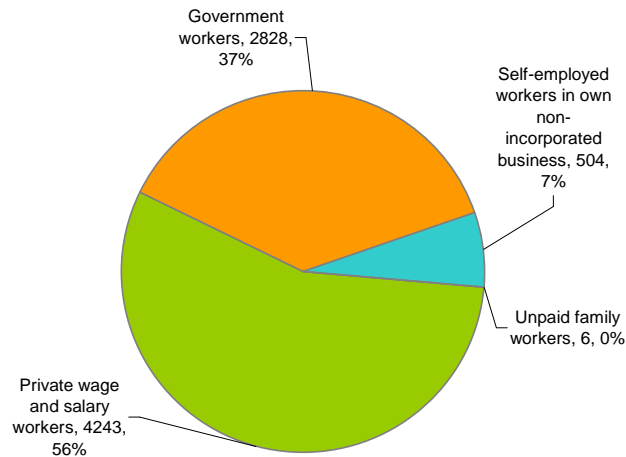


Employment and Economy

Pierre serves as the major trading center for central South Dakota. Its economy is supported by state government, agriculture, and recreational activities tied to the Missouri River. Pierre's retail trade area has a radius of 100 miles and comprises approximately 40,000 people (PEDCO 2007).

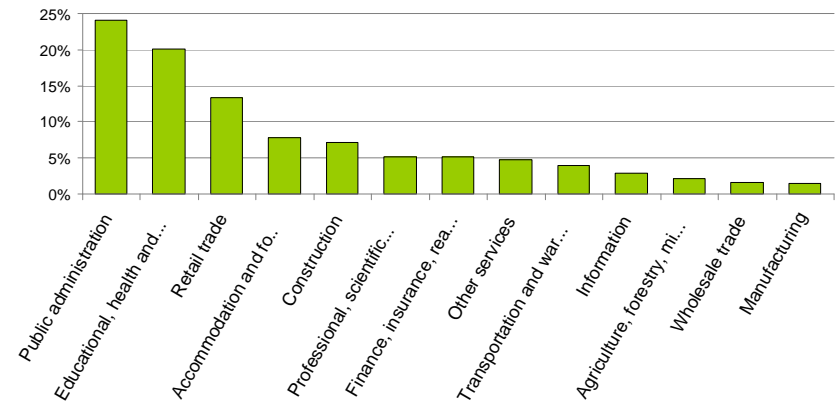
Pierre's economy depends largely on government operations. When evaluated by class of worker in the 2000 census, government workers accounted for over 37% of the civilian labor force in Pierre (Figure 3.15).

Figure 3.15. The breakdown of employment by class of worker for Pierre in 2000 (US Census Bureau)



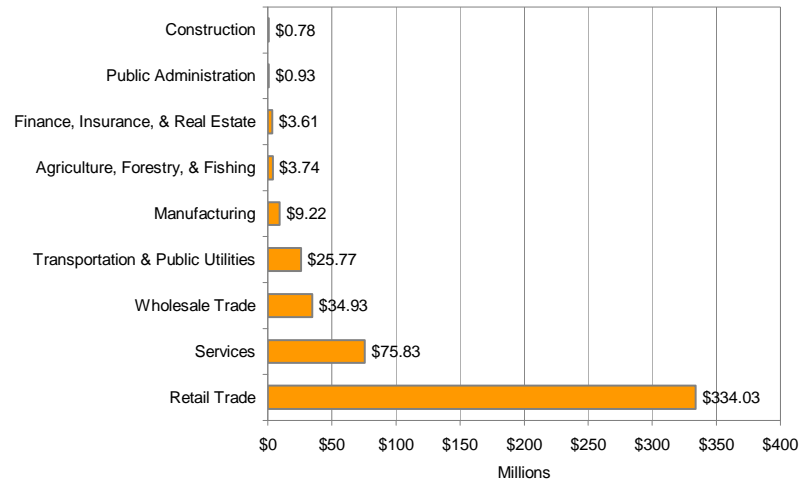
Public administration is the largest industry by employment (Figure 3.16), accounting for 24.1% of the employed civilian population age 16 or older in 2000. State government is the largest local employer with 2300 employees. St. Mary's Hospital, an 86 bed acute care facility, is the City's second largest employer and the largest private employer with 452 employees. Other employers with over 100 employees include: Walmart, Pierre School District, Federal Government, Morris Inc., City of Pierre, Medical Associates Clinic, Bank West, and Pierre Indian Learning Center (PEDCO 2007).

Figure 3.16. The breakdown of employment by industry for Pierre in 2000 (US Census Bureau)



Another indicator of Pierre's economy is sales information (Figure 3.17). The 2006 retail sales data for Pierre shows retail trade with gross sales of over \$334 million. The next largest category is services with gross sales over \$75 million (SD Dept of Revenue).

Figure 3.17. The breakdown of gross retail sales by industry for Pierre in 2006 (SD Dept of Revenue)



Farming and ranching in the areas surrounding Pierre play an important economic role for the city. Hughes County has 215 farms with farmhouses and 168 dwelling-less farms with a total of 415,151 agricultural taxable acres. The principal crops grown within the Pierre area include alfalfa, barley, corn, flax, mint, oats, rye, soy beans, sunflowers, wheat, and wild hay. Livestock raised in the county include buffalo, cattle, chickens, hogs, and sheep (PEDCO 2007).

The Pierre Economic Development Corporation provides a variety of incentive packages to spur the creation of new jobs and investments in the Pierre area as well as offering other economic development support and training. Available financial packages include local revolving loan funds, the South Dakota MicroLOAN, and the USDA Business & Industry Guaranteed Loans.

The City's median household and family incomes in 2000 were \$42,962 and \$52,144, respectively. The City's 2000 median family income is nearly \$10,000 more than the state's figures and approximately \$2000 more than the national levels. In 2000, the City's unemployment was 2.3%, which was below both state and national averages. Approximately 8% of the City's individuals live below the poverty line, which is lower than the state and national averages of 13.2% and 12.4%, respectively.